



## Consumer Federation of America

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### **Statement of CFA Director of Investor Protection Barbara Roper Anti-Investor Collins Amendment Gives Fiduciary Pass Where it is Needed Most**

Two weeks ago, at the Goldman Sachs hearing in the Permanent Subcommittee on Investigations, Sen. Susan Collins (R-ME) expressed her outrage that Wall Street firms refused to acknowledge a fiduciary duty to act in the best interests of their institutional customers. Today Sen. Collins introduced an amendment to the financial regulatory reform bill currently under consideration in the Senate that would deny those fiduciary protections to average Main Street investors.

The amendment proposes a watered down fiduciary duty for brokers when they offer personalized advice to retail investors, then exempts those brokers who sell only mutual funds, variable annuities, and certain closed-end funds from even that weak standard. Furthermore, the Commission would be free to expand the exemption to other brokers who sell only proprietary or other limited range of products.

“This amendment removes the fiduciary duty precisely where it is needed most – where the conflicts of interest are greatest, the investors are least sophisticated, and the sales practices are most abusive. It paints a target on the backs of senior Americans who are most likely to be targeted with abusive variable annuity sales practices,” said CFA Director of Investor Protection Barbara Roper.

“It is frankly stunning that someone who has championed the fiduciary duty would propose an amendment that leaves unsophisticated investors so vulnerable to abuse,” she added. “We urge Sen. Collins to reconsider, withdraw her amendment, and instead throw her support behind the Akaka-Menendez-Durbin amendment, which would provide true fiduciary protections to all investors.”

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*Consumer Federation of America is a non-profit association of approximately 280 pro-consumer organizations. It was founded in 1968 to advance the consumer interest through research, education, and advocacy.*